

***CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY***

***February 6, 2001 - 3:00 p.m.***

***University of California Building  
550 E. Shaw, Suite 215  
Fresno, CA***

**Agenda Item No. 1**

**Recommendation**

Approve Commission Minutes-January 17, 2001

**Minutes:**

**Present:** Executive Director Steve Gordon, Commissioners Marion Karian, Oscar Sablan, Roseanne Lascano, Luisa Medina, Kathleen McIntyre, Sal Montana and Gary Carozza.

**Absent:** Bob Waterston, excused; Mary Dean, excused; Roseanne Lascano, excused.

A quorum was established and Commissioner Medina called the meeting to order at 3:27 p.m.

**1. Approve Commission Minutes – January 17, 2001**

Commissioner Medina asked for a correction to the minutes under Agenda Item No. 5 where it states that Commissioner Medina recommended that West Hills College develop a proposal for Mr. Gordon to present to the Commission to further pursue the possibilities of future funding. Commissioner Medina wanted to clarify that she did not make the recommendation that West Hills College develop a proposal for Mr. Gordon to present to the Commission for consideration. She stated that what was discussed was the potential availability of new dollars from the state and that Mr. Gordon was asked to bring back a recommendation regarding whether or not the Commission wanted to set money aside or how to participate in this matching funds program. She stated that it was not specific to West Hills College.

Vicki Hoyle, Special Projects Coordinator of FCEOC asked for a correction to the minutes under Agenda Item No. 5 where it states that both she and Shirley Sanchez requested clarification and assistance in understanding what areas of their proposals need improvement. Ms. Hoyle stated that she asked why the EOC proposal, which met the minimum point requirements, did not receive funding, and what it was that the Chief of the IEC was looking for in funding.

A member of the audience noted that Commissioner Montana was not listed as present or absent. He was not present at the meeting and his absence was excused.

Commissioner Sablan motioned for the approval of the minutes with the noted changes. Commissioner Carozza seconded the motion. The motion was carried by a unanimous vote.

**2. Discuss and approve Financial Status Report / Nov-Dec 2000**

Henry Avery, Commission Accountant, presented the Financial Status Report for November and December 2000 and motioned for approval of said reports. There were no questions from the Commission or comments from the public. Steve Gordon, Commission Executive Director, noted that attached to the Financial Status Report was the "Contract and Award Amounts" handout that explains the breakdown of the awards over a three year period as requested by Commissioner Carozza at the last meeting. Commissioner Sablan made a motion to approve the Financial Status Report. Commissioner Carozza seconded the motion. The motion was carried by a unanimous vote.

**3. Nominate and approve a Commission Secretary/Treasurer**

Mr. Gordon asked that the Commission elect a Secretary/Treasurer as approved and stated in the bylaws. He addressed the need of having another available signer on the checking account to sign checks that are over the amount of \$500.00. He expressed the difficulties and delays that he encountered in obtaining signatures on checks during the Christmas holidays. Mr. Gordon also indicated that it is a legal requirement with the Secretary of State to have a Secretary/Treasurer in order to be incorporated into the Public Entity list. Commissioner Medina opened the platform for nominations. Commissioner McIntyre nominated Commissioner Carozza. Commissioner Sablan seconded the motion. The motion was carried by a unanimous vote.

**4. Discuss and approve eliminating existing account, setting up new account with Fresno County and transfer procedures**

Mr. Gordon presented his recommendation for the elimination of the existing trust account with the County of Fresno #2476, the setting up of a new trust account and the implementation of procedures for the transfer of funds. The Commission's legal advisor, Holley H. Perez, Chief Deputy Counsel Legal Counsel stated that it was required in the legislation that the County establish and set up the trust account and that said trust account could not be eliminated. There is no provision allowing for the elimination of that fund.

Mr. Gordon introduced John Chessum, CPA with Baker, Peterson, & Franklin to further explain the recommended action. Mr. Chessum explained the resolution with the modification that the existing account could not be eliminated, and that it would be used as a holding account to receive funds from the State that would then be transferred to the new trust account. The Commission will transfer sufficient monies to fund beginning program operations. This will allow time for the cash flow requirements of the Commission to become more known and also the capability of Fresno County Treasurers Office to be demonstrated. Fresno County has been notified of the need to transfer funds in February. The Commission will project future cash flow requirements and update the County Treasurer as necessary.

Transfer of funds will require any two signers on a form acceptable to Fresno County. The transfer request must be in writing and in the hands of the Fresno County Treasurer's Office prior to the transfer. Authorized signers for transfers will be Executive Director, Program Operations Coordinator and the Chair, Vice-Chair and the Secretary/Treasurer. Primary Signers will be the Executive Director and the Chair (or designee). Transfer amounts cannot exceed the amount allowed by Fresno County (\$5 million at present). Transfers may be by check sent directly to the authorized bank or wire transfer only to the Wells Fargo Program Account or the Wells Fargo General Fund Account. Wire transfers must be \$10,000 or more and the Commission will be charged a fee of approximately 6 dollars per transaction.

There was some discussion about the investment strategy for the funds.

Commissioner Medina requested that further clarification be brought back to the next meeting in regards to the elimination of the existing account.

Commissioner Carozza made a motion for approval of the recommendation to open up a new trust account with the County of Fresno, the implementation of the policies that go with that account and the transfer of funds from the existing account to the new account as outlined by Mr. Chessum, with the proviso based upon legal counsel's advisement, pending that specific legal discretion in regards to the elimination of the existing account, to be updated at the next meeting. Commissioner McIntyre seconded the motion. The motion was carried by a unanimous vote.

## **5. Discuss and approve procedures for the Operational and Program Checking accounts**

Mr. Gordon presented the recommendation for approval of procedures for both the **"Operational"** and **"Program"** checking accounts. Mr. Gordon indicated that there are already procedures in place for the **"Operational"** checking account; however, procedures need to be implemented for the **"Program"** checking account as well. He indicated that there are some changes to be made in the procedures of the **"Operational"** checking account and he introduced Mr. John Chessum, CPA with Baker, Peterson, & Franklin to further explain the recommended action.

Mr. Chessum explained the procedures that are to be implemented with the **"Program"** checking account. The Commission will open an additional checking account for grantee contractual use. The account will have interest or will allow for investment of idle funds. The account will require two authorized signers and will be as follows: The authorized signers shall be one Commissioner and one management person. Commission members shall be one of the following: Chair, Vice Chair, or the Secretary/Treasurer. Management members shall consist of the Executive Director and the Program Operations Coordinator. Wire transfers out of the account will not be allowed at this time.

In the event that Commission members are not available and there is determination of an immediate need for disbursement by management for a properly approved program, the two management members may sign checks provided that each check does not exceed \$100,000.

Split checks to avoid the signing limit is contrary to Commission policy and are not allowed. If possible, verbal approval of payees will be obtained from the Commission signers on the account and noted in the file. The checks signed by other than the Primary Signers will be presented to the Primary Signers for review and the Primary signers will initial their subsequent review and approval of the expenditure. The Primary signers are designated as the Chair (or designee) and the Executive Director.

The funds may be invested by management in investments allowed by State Law and approved by the Commission. Funds held by the banks must be collateralized with acceptable securities with a value of 110% or more for funds in excess of FDIC limits. Funds may be invested with the Fresno County Pool managed by the Fresno County Treasurer's Office.

Initially pending other approved investments, funds held by banks not collateralized as stated in the preceding paragraph may be invested in a money market account where the securities of the fund are the collateral for the monies on deposit. The risk in a money market fund is similar to the Fresno County Pool. The commission policy is to minimize risk to principal while pursuing a reasonable rate of return.

The Secretary/Treasurer shall report any change in approved investments at the next regularly scheduled Commission meeting. Annually the Secretary/Treasurer shall report to the Commission on the investment policy of the Commission.

The procedures for the **"Operational"** checking account are to be modified as outlined by Mr. Chessum. The account will require two authorized signers and will be as follows: Authorized Signers shall be one Commissioner and one management person. Commission members shall be one of the following: Chair, Vice Chair or the Secretary/Treasurer. Management members shall consist of one of the following: Executive Director or the Program Operations Coordinator. Drafts on the account will be allowed.

In the event that Commission members are not available and there is determination of immediate need for disbursement by management, the two management members may sign checks provided that each check does not exceed \$5,000. Split checks to avoid the signing limit is contrary to Commission policy and are not allowed. If possible, verbal approval of payees will be obtained from the Commission signers on the account and noted in the file. The checks signed by other than the Primary Signers will be presented to the Primary Signers for review and the Primary signers will initial their subsequent review and approval of the expenditure. The Primary signers are designated as the Chair (or designee) and the Executive Director.

Commissioner Carozza made a motion to approve the procedures for the Operational and Program checking accounts as presented. Commissioner Sablan seconded the motion. The motion was carried by unanimous vote.

**6. Discuss and approve Grants/Contracts Policies & Procedures**

Mr. Gordon presented the recommendation for approval of the Grants/Contracts Policies and Procedures as outlined by Mr. John Chessum. Mr. John Chessum highlighted certain items and answered questions. Specific reference was made to the following: sub-section d. Audit Requirements states that the Commission reserves the right to require a program specific audit for grantees receiving less than \$300,000. Grantees receiving \$300,000 or more should follow the Federal Office of Management and Budget grant requirements and guidelines. It was clarified that the \$300,000 is an annual amount. Mr. Gordon addressed Section B. Post-Award and stated that during the pre-contract negotiation meetings grantees had been advised that upon successful negotiation they could be advanced up to one quarter or 25 percent of their first quarter/first year funds as opposed to 20 percent.

Commissioner Medina questioned sub section g. Real Property and Equipment which appeared to be incomplete. Mr. Chessum responded that further guidance is coming from Legal Counsel. There was also discussion on sub section J. Insurance Requirements, and it was stated that Holley H. Perez, Legal Counsel is working with the County of Fresno Risk Management on determining the specific insurance requirements for each grant, to be brought before the Commission at a later date.

There was some discussion on the subject of immediate needs and how those will be determined. Several members of the audience expressed their views, opinions and suggestions.

Karen Burke, VP of Community Building with the United Way raised the question of “reserves” and whether or not grantees are planning with “reserves” in mind. There was some discussion on this issue and several members of the audience voiced their comments.

Vicki Lombardo, Director of Special Projects with the March of Dimes commented that in the RFP the Service Providers were told that cash advances would be provided on an as needed basis.

Margarita Rocha, Executive Director of Centro La Familia Advocacy Services commented on the importance of maintaining “reserves” and the impact that it has on how much funding an agency can gain or lose. She indicated that unfortunately maintaining reserves is something that many grantees are not able to do.

Commissioner Carozza made a motion to approve the Grants/Contracts Policies and Procedures as amended, thereby indicating the sum of \$300,000 annually to be the recommended policy amount for Audit Requirements and stipulating the advance funding increase from 20 percent to 25 percent of the first year funds during the first quarter. Commissioner Montana seconded the motion. The motion was carried by a unanimous vote.

**7. Discuss and approve future funding recommendations for fiscal year ending June 30, 2001**

Mr. Gordon presented his future funding recommendations for fiscal year ending June 30, 2001. He stated that after the completion of the first round of funding, staff determined that the following future funding recommendations would address the immediate needs and gaps of funding in the community.

**7.1 – Discuss and approve \$2,000,000 for West Hills Community College Capital Project**

Mr. Gordon stated that West Hills was asking the Commission for matching funds for child care funds they were applying for through the State Department of Education. Mr. Gordon stated that he spoke with a representative at the State Department of Education that confirmed that there are funds available for child care slots in Fresno County. Cathy Barabe and Patty Scroggins from West Hills Community College were present at the meeting to answer questions from the Commissioners and the public.

Commissioner Medina voiced her concern that awarding the funds to West Hills may be a disadvantage to other agencies in Fresno County that are applying for the same Department of Education funds.

Mary Arriaga, Child Care Coordinator for the Local Childcare Planning Council, announced that the priority funding areas had been announced and read off all of the priority 1 areas. She stated that the State uses this priority list to make awards for the child care and State preschool dollars.

Roger Palomino, Executive Director of FCEOC, commented on the process that was taking place. He stated it appeared that one organization was being given advantage over other organizations that might be applying for the same funds. He stated that it was incumbent upon the Commission to create an equal playing field and there be a competitive process once the funds are awarded at the State level. He stated it was premature to establish a set amount for one organization at this time. He commented further that he felt it was unfair that West Hills was put at an advantage by being allowed to make a presentation today when no other organizations were given that opportunity.

Mr. Gordon responded that at the last meeting there was a plea made by West Hills and it was his understanding that he was to look into the issue further and come back to the Commission with a recommendation. He stated it may be that his recommendations may be a little out of order in that one of his recommendations is that the Commission set aside money for matching funds for situations like this when organizations can leverage the Commission's money.

Commissioner Carozza commented that the Commission did ask Mr. Gordon to look into this issue but that Mr. Palomino raises a good point that the Commission would be putting one organization at an unfair advantage.

A solution to this was that the \$2,000,000 recommended for West Hills would be combined with the \$2,000,000 recommended from item 7.6 for general matching funds to create a \$4,000,000 pool of money that organizations applying for State Department of Education can apply for. The money will be available only to those agencies that are successful in securing the State funds. Commissioner Carozza stated that the Commission would authorize the Executive Director to write a letter stating that these funds are available to all agencies applying for funds. Holley Perez, legal counsel stated that the letter should be clear that the Commission is by no means allocating money to any one agency. In addition, Commission staff were directed to set up a process for applying for these matching funds and present it back to the Commission at the next meeting.

Tony Silva, Associate Executive Director for I-5 Social Services, wanted to state for the record that he agreed with the comments made by Mr. Palomino regarding the process.

Commissioner Carozza made a motion for approval. Commissioner McIntyre seconded the motion. The motion was carried by a unanimous vote.

## **7.2 – Discuss and approve the release of \$2,500,000 for the Early Education Professional Development Quality Improvement RFP**

Mr. Gordon recommended that the Commission let out an RFP for \$2.5 million dollars for training and retention purposes. He added that the retention piece of the RFP would be matched 25% by the State Commission.

Kendra Rogers, Program Operations Coordinator for the Commission, added further clarification on the State's 25% match. She stated that the State let out an RFP for the 25% matching funds that listed the required components that must be included in each county plan. Those components included quality training and a process for providing incentives to local early childcare providers.

Commissioner Medina asked if the Commission was approving an actual RFP or if staff would be bringing back an RFP for approval. Ms. Rogers stated that staff would bring back an RFP for approval at a later date that this item was for approval to develop an RFP.

Roger Palomino had a comment on policy and procedure issues. He felt that this was a serious policy issue and was concerned that public monies would be used to offset the responsibility of private providers that are making a profit in childcare. He was also concerned about the use of incentives and said that he wanted more information on what these incentives are. He then stated that he was concerned that this was being referred to as an "Institute" piece. The Commission had made a commitment to further explore what the Institute piece should look like and that this was a "piece mill" approach to dealing with the Institute.

Mr. Gordon responded by stating that the childcare community has suggested that we need to include "best practice" training and quality assurance in all of the programs we have funded. This piece is an attempt to do that since this is such an important piece.

The Commission directed staff to bring back for discussion at a future meeting, the Institute piece and the process for accessing the 25% match.

**7.3 – Discuss and approve the release of \$1,500,000 to meet the transportation needs of the Commission’s service providers**

The Commission requested more information on how this would be utilized, how we would prioritize services, and how we would coordinate this piece with existing services in the County. Staff will bring this information back to the Commission at a future meeting.

**7.4 – Discuss and approve the release of \$2,000,000 to fund Innovative Pilot Programs**

The Commission requested more information on this concept. Staff will bring this information back to the Commission at a future meeting.

**7.5 – Discuss and approve the release of \$1,500,000 for an Evaluation RFP**

Commissioner Carozza stated that the Commission would set aside the amount of money sufficient to cover the evaluation services proposed by the applicants. Staff will bring back to the next meeting an Evaluation RFP for Commission approval.

**7.6 – Discuss and approve the release of \$2,000,000 for matching funds**

This discussion took place as part of Agenda Item 7.1.

**7.7 – Discuss and approve the release of \$100,000 for Mini-Grants**

Mr. Gordon stated that the Mini-Grant Program would be a non-competitive program that would provide mini-grants not to exceed \$5,000 per award. The funds would be available on an on-going basis and all applications would come back to the Commissioners for approval.

Commissioner Carozza made a motion to approve the Mini-Grant Program and directed staff to bring back the application and the application process for approval. Commissioner McIntyre seconded the motion. The motion was carried by unanimous vote.

**7.8 – Discuss and approve the release of \$3,000,000 for the general second round RFP**

Mr. Gordon stated that there were several organizations in the community that were anticipating a second round RFP. The Commission directed staff to bring back some general guidelines for the next round.

**7.9 – Discuss and approve an increase in the amount of funds allocated for future sustainability of the Commission from \$1,000,000 to \$4,000,000**

This item was tabled for discussion at a future meeting.



## **8. Information Sharing**

Executive Director Steve Gordon stated that at the last Commission meeting he was directed by the Commission to meet with two of the agencies that were not funded to talk to them about their proposals. He informed the Commission that he met with both of the agencies after the meeting as directed. But has since been advised by Legal Counsel not to do so due to the fact that if he makes something available for one agency, he must make it available for all. Mr. Gordon informed everyone that on February 23, 2001 there are some workshops scheduled. There will be a "Lessons Learned" Workshop from 9-11a.m. for all those who wish to attend and 1-3p.m. there will be an "Evaluation" and "Database Collection" Workshop for the Service Providers.

## **9. Future Agenda Items**

- Evaluation RFP
- Mini-Grant Application
- Process for matching funds
- Guidelines for second round RFP

## **10. Public Comment**

### **Adjournment**

Commissioner Medina made a motion to adjourn the meeting at 5:54 PM. Commissioner Carozza seconded the motion. The motion was carried by a unanimous vote.